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June 14, 2001

VIA HAND DELIVERY

Ms. Mary Cottrell  
Massachusetts Department of Telecommunications and Energy  
One South Station  
Boston, MA 02110

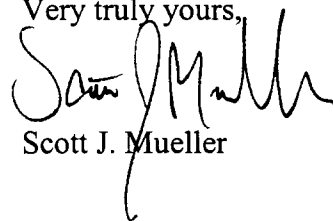
Re: Competitive Market Initiatives

Dear Ms. Cottrell

In response to the Department's request for written comments on its Competitive Market Initiative, please find an original and 9 copies of Unitil Corporation's Proposal for Emergency Assistance for Default Service Customers.

Thank you for your assistance in this matter.

Very truly yours,



Scott J. Mueller

SJM/va

**Before the Massachusetts Department  
of Telecommunications and Energy**

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Competitive Market Initiatives

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PROPOSAL FOR EMERGENCY  
ASSISTANCE FOR DEFAULT  
SERVICE CUSTOMERS

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Unitil Corporation hereby submits its comments and proposals for emergency assistance to provide default service customers throughout the Commonwealth with immediate access to the competitive electric markets. As noted by Chairman Connolly at the hearings on May 31, 2001, approximately 25% of customers throughout Massachusetts are now taking default service at prices which have increased significantly over the past year. Tr., p. 6. Though the market has produced tools to provide customers with greater access to competitive market choices, suppliers face a number of barriers in identifying and reaching those customers. Tr. pp. 75-78. In order to provide one out of every four customers in Massachusetts with realistic market choices this summer and fall, Unitil urges the Department to implement the following steps immediately to support existing market solutions that can be made available to customers now.

## **I. CUSTOMERS OUTREACH AND EDUCATION**

Unitil recommends that the Department issue an emergency order directing all electric distribution companies in the state to augment their default service customer information education activities by taking additional steps to inform and educate default service customers about their options for obtaining competitive electric supplies in the next thirty days. These steps may include providing updated information on market options, a current list of registered suppliers and supplier-neutral technical assistance.

Distribution companies should provide such services and assistance through bill stuffers, media outreach, web sites, customer hot lines, specifically trained customer representatives, and/or by contracting with third parties for supplier neutral brokerage or consulting services. Employing a user friendly, neutral option for default customers to access qualified suppliers will increase the ease and efficiency by which consumers enter the competitive market, as well as encourage greater supplier activity. A supplier neutral service can educate consumers so they are prepared to buy, and can make consumers more accessible to the supplier community. Providing the market with 'ready-to-buy' consumers, and efficient supplier access to those buyers (i.e. low acquisition costs), will greatly enhance the transformation to a vibrant competitive electricity market in Massachusetts as well as provide real solutions immediately. Such solutions are in the market today and are available to be implemented.

In order to provide incentives for an immediate and meaningful response by the distribution utilities, the Department's order should also provide for recovery by the distribution companies of the incremental costs for this outreach effort, which costs would be included in the subsequent pricing of Default Service.

## **II. RELEASE OF CUSTOMER INFORMATION**

In order to ensure that suppliers have access to default customers, Unitil recommends that the Department issue an emergency order authorizing and directing electric distribution companies to make available the names, addresses and rate classification of all default customers to registered suppliers and brokers in the state. There was general concurrence at the public hearing that there were no state legal barriers to the release of such information and that the Department should be pro active in encouraging dissemination of this information to competitive suppliers. Tr. p. 50.

Such a step would remove a significant market barrier for suppliers and facilitate the communication of market options to customers. Additionally, in order to expedite the release of customer data, such as load and usage history, the Department should authorize distribution companies to provide this information based upon a phone call, e-mail, fax confirmation, or internet exchange from the customer. Customers should also be allowed to fax, phone or e-mail their notice of enrollment with a competitive supplier, subject to verification by the distribution company of the customer's account number. These relatively simple measures should facilitate customer access to competitive options and enrollment with suppliers to the maximum extent possible.

## **III. SUPPLY OPTIONS FOR FG&E CUSTOMERS**

Fitchburg Gas and Electric Light Company ("FG&E"), which has already undertaken education efforts for all default service customers and initiated an outreach effort for its largest default customers, stands ready to implement the steps described above upon the directive and authorization of the Department. For all of the reasons previously provided to the Department in the FG&E restructuring proceeding, Unitil also seeks the Department's approval for its affiliate,

USource, a subsidiary of Unitil Resources, Inc., to provide brokerage services within FG&E's service territory. USource is actively working in other areas of the Commonwealth to provide exchange-based, supply-neutral brokerage services to default customers.

Unitil seeks a waiver from the Department's previous rulings to allow USource to provide brokerage services within Fitchburg and the surrounding communities. See Fitchburg Gas and Electric Light Company, D.T.E. 97-115/98-120, p. 12 (Jan. 15, 1999). Such a waiver will provide FG&E's customers with the same market options available elsewhere in the Commonwealth. Because USource provides a supply-neutral, Internet exchange based brokerage service, such a waiver would not result in cross subsidies or provide any suppliers with an unfair competitive advantage.

#### **IV. CONCLUSION**

Unitil urges the Commission to act quickly to implement the above-described steps to promote customer education and remove market barriers to the provision of competitive electric supplies to default service customers throughout the Commonwealth.

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